(OGC 67-0040)

24 February 1967

MEMORANDUM

SUBJECT: Estimate of Damage Which Could Accrue to CIA Miami Through Prosecution of the Rolando Masferrer Haitian Invasion Group

1. The decision by the Justice Department to seek a Grand Jury indictment against Rolando Masferrer and certain of his associates is a potentially explosive matter which could result in extensive damage to CIA activities in Miami. Recent adverse publicity on the national scene and in the Miami area have added substantially to the already sizeable embarrassment potential. Some of the main sectors of danger to CIA equities are described below.

2. Basic national publicity regarding student and foundation topics have already attracted attention of the local press to the CIA in general. Usually any reference to CIA covert activities leads the press to check files for references to any such activities locally. However, before this action could be taken, the story regarding the Pan American Foundation and the University of Miami broke, and the press immediately concentrated on this topic. The CIA Chief of Station learned through personal press contacts that this was partly a matter of luck and partly because of the friendly and cooperative attitude of these press contacts. Although several editorials highly critical of CIA have been published and the replay of wire service stories has been given much space, as yet there has been no local follow-up aimed at putting CIA or the CIA Station on the spot. However, the situation remains delicate, since, even with much good will, local newsmen cannot afford to let themselves be scooped by outsiders concerning stories in their own back yard.

3. Any new story, such as the 22 February story in World Journal Tribune on suspected CIA connection with recruitment of Cuban pilots for the Congo, the possible results of inquiry made on 21 February by three students connected with the University of Miami newspaper The Hurricane, or further revelations concerning the Pan American Foundation, could easily trigger publicity with an inevitable focus on the South Campus of the University of Miami and on the Miami Station cover firm.

SECRET

GROUP 1
Excluded from automatic downgrading and declassification

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4. As has been the case for the past six years, Dr. Henry King Stanford, President, and Dr. Eugene Cohen, Vice President and Treasurer of the University of Miami, have extended their fullest cooperation concerning the Miami Station and overall CIA interests and it is anticipated they will continue to do so. However, we believe there is a practical limit to the amount of pressure they could stand from their trustees and from certain public quarters if there is a flood of publicity regarding CIA activities allegedly centered in or controlled from the Zenith Technical Enterprises Inc., or its accused successor, the Melmar Corporation. If such a situation arises, it is conceivable that Dr. Stanford would feel impelled to take some action aimed at disassociating the University of Miami from any contact with the Melmar Corporation. Since the Melmar Corporation is ostensibly the tenant of the University of Miami although on Federal property, the resulting action might involve a request for the termination of the tenancy agreement.

5. Even if the above circumstances did not exist, we would remain concerned regarding the possible effects of the prosecution of the Masferrer group. Although no Station agents or persons with whom the Miami Station has contractual arrangements are among the persons arrested or those who will be prosecuted, it will be very easy for the defense to drag CIA Miami into the case. The defense has only to obtain testimony (true or perjured) from one of the defendants, or to summon as defense witness one or more disaffected former agents of the CIA Station, in order to begin a chain reaction surfacing much detail and rumor concerning CIA operations against the Cuban target. Given the sizeable reduction of infiltration and Covert Action agents during the past year, a general feeling of frustration and lack of support for Cuban freedom attributed to passive U.S. policy and reduction in CIA support in all sectors, the long standing animosity of certain exile circles against U.S. Government, notably CIA, and the evaluation that CIA now is the most vulnerable of Federal Agencies confronting them, exiles will be tempted to see an attack against CIA as accomplishing several purposes, that is, gaining acquittal, blackening CIA, and exerting pressure on the U.S. Government for a policy change.

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